



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

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March 7, 1995

TO: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Reclamation Engineer *WHW*

RE: Portable Screening, Crushing and Blending Facility, Hiawatha Mine, U. S. Fuel Co, ACT/007/011, Folder 2, Carbon County, Utah

*file #2
 in a notebook*

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

The Operator submitted a revised copy of Exhibit V-9 "Hiawatha Processing Plant and Waste Disposal Sites" that shows the location of the disturbed area boundary. A note on the map states "A portable crushing, screening and blending facility may be located within the disturbed areas of the permit."

Findings:

The map showing the surface facilities at the processing plant and waste disposal site has been revised to show that a portable crushing, screening and blending facility will be located within the disturbed areas.

COAL RECOVERY

Regulatory Reference: 30 CFR Sec. 817.59; R645-301-522.



Analysis:

In the interest of reducing the amount of substandard coal material that would have to be buried or otherwise disposed of during final reclamation, U.S. Fuel or its customers may use a portable screening, crushing and blending facility to be located within the Hiawatha processing plant and slurry impoundment disturbed areas as depicted on Exhibit V-9. Coal recovery is limited to salvaging coal fines from the slurry ponds. The fines are either sold as is or blended with other coal to meet contract specifications. A large portion of the fines are sold to be blended with other coal.

The Operator is currently reclaiming the No. 4 slurry pond. A large portion of the coal fines is sold to be blended with other coal. If the Operator is unable to blend the coal on site then he will either have to bury much of the coal fines or slow down the reclamation pace.

Findings:

The screening, crushing and blending facility is needed to maximize the amount of coal that can be recovered from the slurry ponds. Since the coal processing will be done within the disturbed area boundary the operation is not expected to have any negative impacts on the environment.

EMERSON & BAYER

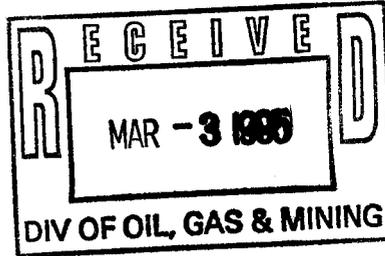
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February 27, 1995



Ms. Pamela Grubaugh-Littig
Permit Coordinator/Reclamation Engineer
State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
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ACT 1003/011 #2
Coye

Re: American Fuel Corp.

Dear Pamela:

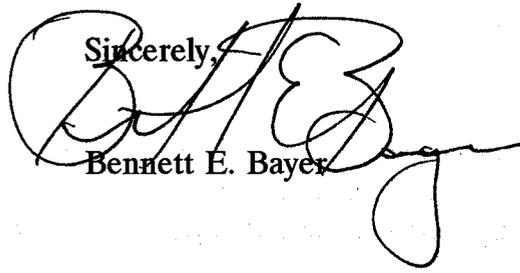
Thank you very much for spending the time with me last Wednesday morning regarding the American Fuel permit transfer. Additionally, I received your disk today and I very much appreciate that.

We will be preparing rough drafts of the material for your review in conjunction with working on other materials. I plan on being in the Salt Lake area within the next 2 or 3 weeks, and at that time I would like to meet with you again and if possible present a completed transfer application.

As I understand it, once you receive the transfer application, there will be the 30-day advertising period, during which time you will be able to advise us regarding any deficiencies in the permit transfer application.

My thoughts are that if we can submit to you a draft of the transfer application for your review, prior to the submission of the official version, we may be able to speed the process up. However, in the event that you need anything further from me prior to our submission, please do not hesitate to contact me.

Sincerely,


Bennett E. Bayer

cc: US Fuel
American Fuel Corp.
American Fuel Corp. Operations
Mr. Gary Gray

BEB/ml